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## Chile

### Fishery Products

## Update on Chile's Rule on Salmonid Egg Imports 2001

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#### **Report Highlights:**

**Since December 1999, the Government of Chile has placed new and increasingly restrictive requirements on imports of fertilized Salmonid eggs from the U.S. and other foreign suppliers due to concerns about Infectious Salmonid Anemia (ISA). As a result, the Chilean market continues to be effectively closed since January 2000.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
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## Summary

This is an update on an important emerging salmon trade issue (ref FAS GAIN report #CI0038 dated 10/10/00).

Since December 1999, Chile has implemented increasingly restrictive rules which have essentially blocked this important market for U.S. fertilized salmonid (salmon and trout) egg exports. The rules are ostensibly intended to prevent the entrance of Infectious Salmonid Anemia (ISA) into the country. Chile's initial action was apparently due to news it had received of ISA outbreaks in other salmon-producing countries. However, Chile has since added additional diseases listed by the Office of International Epizootics (OIE).

The requirements applied to salmonid egg imports became even more restrictive in July 2000 with the publication of a new rule, followed by an "import protocol" issued in October which required a trade-blocking 120-day quarantine period once the eggs arrived in Chile. After complaints from many supplier countries, including the U.S., Chile modified the protocol in mid-December, but continued to require a quarantine, albeit shorter, and testing for all the OIE salmonid diseases.

The U.S. and other foreign governments continue to be concerned that the modified protocol still effectively blocks imports. Efforts are ongoing to convince Chile that the new requirements are not scientifically justified and are in conflict with the provisions of the sanitary-phytosanitary (SPS) Agreement under the World Trade Organization (WTO). In the case of the U.S., there has never been a documented case of ISA, and the U.S. has effective monitoring and control programs to detect and prevent the spread of all aquatic diseases.

Chile's total imports of salmonid eggs in 1999 were valued at \$8.65 million and supplied by (in US\$ millions): Ireland (2.77); Norway (2.0), Denmark (1.11), Britain (1.05), U.S. (1.01), Iceland (0.44), Sweden (0.16), Canada (0.01) and Finland (0.004). The U.S. market share was approximately 12 percent. Under the new rules, all trade came to a halt, while the Chilean government is encouraging expansion of domestic production.

## Chile's Initial Measure Against ISA

On December 4, 1999, Chile's Subsecretariat of Fisheries, under the Ministry of Economic Development, published Emergency Measure No. 2360 adding a certification requirement that all imported salmonid eggs are free of salmonid infectious anemia (ISA). The measure was apparently taken in response to reports of ISA outbreaks in other countries. The countries specifically mentioned in the measure were the U.S., Canada, Denmark, Scotland, Norway, Sweden, Finland and Ireland. Otherwise, salmonid egg imports were still on Chile's list of imports for automatic approval, but now required an import permit with the certification statement. However, issuance of new import permits was reportedly stopped starting in February 2000. This rule was superseded when Chile published the current emergency resolution No. 1531 on July 18, 2000.

## The New Rule and Further Import Restrictions

Resolution No. 1531, published on July 18, 2000, strengthened Chile's restrictions on all imported salmonid eggs by: a) moving salmonid eggs from the automatic import list to the more restrictive "first import" list; and b) repealing the earlier measure No. 2360. Some sources indicated that the new rule maintained the ISA-free certification requirement, but the yet-to-be-published implementing procedures would likely include a new quarantine requirement which would effectively stop U.S. exports. The WTO notified this measure to members

on August 17, 2000 as G/SPS/N/CHL63. At about the same time, Chile's National Fisheries Service (SERNAPESCA) indicated that it expected the rule's implementing procedures to be finalized soon. Trade, however, was already threatened because of the need of foreign suppliers to make breeding decisions early in order to have fertilized salmonid eggs ready for the beginning of Chile's production season in November/December.

## **The Rule's Justification**

The text of Resolution No. 1531 cites eleven (11) justifications for the tougher import requirements. In sum, those reasons are listed as (free translation):

- the Subsecretariat of Fisheries is authorized to review the import list annually
- the Subsecretariat is responsible for evaluating and proposing sanitary measures to protect aquatic species and the environment in relation to aquaculture, propagation and repopulation
- Decree 2360 of 1999 established the additional certification requirements based on the propagation and distribution of ISA in numerous international cultivations
- the Subsecretariat received reports of outbreaks of ISA and other diseases found in both cultured and wild species in regions of commercial egg production where breeder fish produce eggs for the market
- reports indicate that studies are insufficient to determine the specific causal agent, disease description, means of transmission, species affected, human health implications and other factors
- a generic certificate is unable to assure that bacterial and viral agents won't be introduced into Chile because vertical transmission is an efficient way to disseminate diseases and imported fertilized salmonid eggs is a means by which its propagation is made possible
- salmonid are species introduced into Chile, such that pathogenic agents found in its natural areas are not necessarily found in Chile
- reports from the disease vigilance program of the National Fisheries Service indicate that the labs for aquatic disease diagnosis have not reported thus far viral diseases for which the OIE requires notification
- the need to protect national sanitation imposes the obligation to maintain the conditions mentioned above
- in accordance with Article 5, para 3 of the (WTO) sanitary-phytosanitary (SPS) agreement, upon evaluation of risk to the life or health of animals or the preservation of plants and determination of the measure to apply in order to achieve an adequate level of protection, the members will take into account factors such as pertinent economics....
- in accordance with Article 5, para 7 of the SPS agreement, when scientific evidence is insufficient, a member can adopt provisional SPS measures based on available information....in such circumstances, the members will try to obtain the additional information necessary for a more objective evaluation of risk and consequently will revise the SPS measure within a reasonable time frame.

## **Chile's Salmonid Egg Industry Expanding**

According to Chile's salmon and trout industry association, there are currently 157 fresh water farms approved by SERNAPESCA. Most of these are in southern Chile's 10th Region, which has 97 farms, followed by the 11th Region with 21 farms and the 8th Region with 16 farms. Not all are full-cycle farms which include breeder fish, egg production, incubation and production of smolts.

Only 48 of the farms produce fertilized eggs for incubation. These are concentrated in the 9th, 10th and 11th

Regions. In 1999, these centers reportedly produced a total of 258.7 million fertilized eggs, about 70 percent of total capacity of 336.3 million. In 2000, production is estimated to have reached 374.9 million eggs, with a capacity for up to 478.9 million. The largest share of production is accounted for by Atlantic salmon at about 42 percent, followed by Coho (Pacific) at 34 percent, and Trout at 24 percent.

Of the domestic producers, 41.5 percent are considered small-scale operations with individual output of 100,000 to 5 million eggs per year. Medium-scale producers account for 51.2 percent of the producers, with output of 5 to 20 million eggs each. Large-scale operators account for the remaining 7.3 percent of the producers, with annual output of 20-35 million eggs each.

Total salmonid egg imports in 1999 were 109.8 million, of which 60 percent were Atlantic, 39 percent Trout and 1.3 percent Coho. The largest imports occur in the months December-February when Chilean egg production is off-season, but continued in 1999 throughout the year. Atlantic salmon eggs arrive mostly in December-April, Trout during October-April, and Coho only in January. Combining domestic and imported salmonid eggs, total utilization in 1999 was 368.5 million of which 30 percent were imported.

According to the Chilean salmon industry, Chile is directing its energies toward self-sufficiency in salmonid egg production, as evidenced by the near-complete displacement of Coho egg imports. The Chilean Subsecretariat of Fisheries is encouraging it to invest in additional capacity and infrastructure in order to increasingly supplant salmonid egg imports.